

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Charter Township of Rutland	County Barry
Fiscal Year End December 31, 2007	Opinion Date March 18, 2008	Date Audit Report Submitted to State April 24, 2008	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

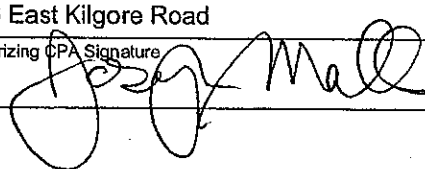
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	None	
Other (Describe)	<input checked="" type="checkbox"/>	SAS 112/114 Letter	
Certified Public Accountant (Firm Name) Siegfried Crandall PC		Telephone Number (269)381-4970	
Street Address 246 East Kilgore Road		City Kalamazoo	State MI
Zip 49002		License Number 1101013696	
Authorizing CPA Signature 		Printed Name Joseph M Walls	

Charter Township of Rutland
Barry County, Michigan
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
Year ended December 31, 2007

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3
BASIC FINANCIAL STATEMENTS	
Government-wide financial statements:	
Statement of net assets	4
Statement of activities	5
Fund financial statements:	
Balance sheet - governmental funds	6
Statement of revenues, expenditures, and changes in fund balances - governmental funds	7
Statement of net assets - proprietary fund	8
Statement of revenues, expenses, and changes in fund net assets - proprietary fund	9
Statement of cash flows - proprietary fund	10
Statement of fiduciary net assets - agency fund	11
Notes to financial statements	12 - 20
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary comparison schedules:	
General Fund	21 - 22
Fire Fund	23
Library Fund	24
Algonquin Weed Fund	25
SUPPLEMENTARY INFORMATION	
Combining balance sheet - nonmajor governmental funds	26
Combining statement of revenues, expenditures, and changes in fund balances - nonmajor governmental funds	27

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Charter Township of Rutland, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Rutland, Michigan, as of December 31, 2007, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of Charter Township of Rutland, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charter Township of Rutland, Michigan, as of December 31, 2007, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The budgetary comparison information, on pages 21 - 25, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Charter Township of Rutland, Michigan, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Siegfried Crandall P.C.



March 18, 2008

1958-2008

BASIC FINANCIAL STATEMENTS

Charter Township of Rutland
STATEMENT OF NET ASSETS
December 31, 2007

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash	\$ 615,784	\$ 200	\$ 615,984
Receivables, net	454,271	-	454,271
Prepaid expenses	14,211	1,749	15,960
Total current assets	<u>1,084,266</u>	<u>1,949</u>	<u>1,086,215</u>
Noncurrent assets:			
Capital assets not being depreciated - land	110,522	-	110,522
Capital assets, net of accumulated depreciation	290,537	-	290,537
Total noncurrent assets	<u>401,059</u>	<u>-</u>	<u>401,059</u>
Total assets	<u>1,485,325</u>	<u>1,949</u>	<u>1,487,274</u>
LIABILITIES			
Current liabilities:			
Payables	102,103	-	102,103
Deferred revenue	491,080	-	491,080
Total current liabilities	<u>593,183</u>	<u>-</u>	<u>593,183</u>
NET ASSETS			
Invested in capital assets	401,059	-	401,059
Restricted:			
Public safety	53,085	-	53,085
Public works	50,359	-	50,359
Unrestricted	387,639	1,949	389,588
Total net assets	<u>\$ 892,142</u>	<u>\$ 1,949</u>	<u>\$ 894,091</u>

See notes to financial statements

Charter Township of Rutland
STATEMENT OF ACTIVITIES
Year ended December 31, 2007

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>
Governmental activities:				
Legislative	\$ 4,400	\$ -	\$ -	\$ -
General government	309,822	43,560	-	61,939
Public safety	161,063	-	-	-
Public works	162,105	72,210	3,310	-
Community and economic development	42,998	11,043	-	-
Culture and recreation	<u>188,584</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	868,972	126,813	3,310	61,939
Business-type activity:				
Building inspections	<u>31,516</u>	<u>15,036</u>	<u>-</u>	<u>-</u>
Totals	\$ 900,488	\$ 141,849	\$ 3,310	\$ 61,939

General revenues:

Taxes
State grants
Franchise fees
Investment income
Other

Transfers

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

***Net (expenses) revenues and
changes in net assets***

<i>Governmental activities</i>	<i>Business-type activities</i>	<i>Totals</i>
\$ (4,400)		\$ (4,400)
(204,323)		(204,323)
(161,063)		(161,063)
(86,585)		(86,585)
(31,955)		(31,955)
<u>(188,584)</u>		<u>(188,584)</u>
 <u>(676,910)</u>		 <u>(676,910)</u>
	\$ (16,480)	<u>(16,480)</u>
<u>(676,910)</u>	<u>(16,480)</u>	<u>(693,390)</u>
 403,341	-	403,341
249,465	-	249,465
1,816	-	1,816
26,114	-	26,114
287	-	287
<u>(11,609)</u>	<u>11,609</u>	<u>-</u>
<u>669,414</u>	<u>11,609</u>	<u>681,023</u>
(7,496)	(4,871)	(12,367)
<u>899,638</u>	<u>6,820</u>	<u>906,458</u>
<u>\$ 892,142</u>	<u>\$ 1,949</u>	<u>\$ 894,091</u>

See notes to financial statements

Charter Township of Rutland
BALANCE SHEET - governmental funds
December 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Library</u>
ASSETS			
Cash	\$ 320,486	\$ 171,000	\$ 52,834
Receivables	167,261	89,032	143,074
Prepaid expenses	<u>14,211</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 501,958</u>	<u>\$ 260,032</u>	<u>\$ 195,908</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payables	\$ 17,055	\$ 85,048	\$ -
Deferred revenue	<u>100,338</u>	<u>121,899</u>	<u>195,908</u>
Total liabilities	<u>117,393</u>	<u>206,947</u>	<u>195,908</u>
Fund balances:			
Unreserved	384,565	53,085	-
Unreserved, reported in non major:			
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>384,565</u>	<u>53,085</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 501,958</u>	<u>\$ 260,032</u>	<u>\$ 195,908</u>

Fund balances - total governmental funds

Amounts reported for *governmental activities* in the statement of net assets (page 4) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Net assets of *governmental activities*

<i>Algonquin Weed</i>	<i>Nonmajor governmental funds</i>	<i>Total governmental funds</i>
\$ 42,889	\$ 28,575	\$ 615,784
39,276	15,628	454,271
<u>-</u>	<u>-</u>	<u>14,211</u>
<u>\$ 82,165</u>	<u>\$ 44,203</u>	<u>\$ 1,084,266</u>
\$ -	\$ -	\$ 102,103
<u>60,260</u>	<u>20,428</u>	<u>498,833</u>
<u>60,260</u>	<u>20,428</u>	<u>600,936</u>
21,905	-	459,555
<u>-</u>	<u>23,775</u>	<u>23,775</u>
<u>21,905</u>	<u>23,775</u>	<u>483,330</u>
<u>\$ 82,165</u>	<u>\$ 44,203</u>	<u>\$ 1,084,266</u>
		\$ 483,330
		401,059
		<u>7,753</u>
		<u>\$ 892,142</u>

See notes to financial statements

Charter Township of Rutland
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - governmental funds
Year ended December 31, 2007

	<u>General</u>	<u>Fire</u>	<u>Library</u>	<u>Algonquin Weed</u>
REVENUES				
Taxes	\$ 138,635	\$ 116,154	\$ 188,454	\$ -
Licenses and permits	12,859	-	-	-
Federal grants	61,939	-	-	-
State grants	252,775	-	-	-
Charges for services	2,658	-	-	-
Interest	21,214	3,281	-	-
Other	1,287	-	-	59,760
	<u>491,367</u>	<u>119,435</u>	<u>188,454</u>	<u>59,760</u>
Total revenues				
	<u>491,367</u>	<u>119,435</u>	<u>188,454</u>	<u>59,760</u>
EXPENDITURES				
Legislative	4,400	-	-	-
General government	295,686	-	-	-
Public safety	-	161,063	-	-
Public works	96,960	-	-	51,288
Community and economic development	42,998	-	-	-
Culture and recreation	-	-	188,584	-
Capital outlay	63,576	-	-	-
	<u>503,620</u>	<u>161,063</u>	<u>188,584</u>	<u>51,288</u>
Total expenditures				
	<u>503,620</u>	<u>161,063</u>	<u>188,584</u>	<u>51,288</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(12,253)</u>	<u>(41,628)</u>	<u>(130)</u>	<u>8,472</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	8,946	-	-	-
Transfers out	(12,809)	-	-	-
	<u>(3,863)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other sources (uses)				
	<u>(3,863)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(16,116)	(41,628)	(130)	8,472
FUND BALANCES - BEGINNING	<u>400,681</u>	<u>94,713</u>	<u>130</u>	<u>13,433</u>
FUND BALANCES - ENDING	<u>\$ 384,565</u>	<u>\$ 53,085</u>	<u>\$ -</u>	<u>\$ 21,905</u>

Net change in fund balances - total governmental funds

Amounts reported for *governmental activities* in the statement of activities (page 5) are different because:

Capital assets:

Assets acquired
Provision for depreciation

Changes in other assets/liabilities:

Net decrease in deferred revenue

Change in net assets of *governmental activities*

<i>Nonmajor governmental funds</i>	<i>Total governmental funds</i>
\$ -	\$ 443,243
-	12,859
-	61,939
-	252,775
-	2,658
1,619	26,114
<u>21,993</u>	<u>83,040</u>
<u>23,612</u>	<u>882,628</u>
-	4,400
-	295,686
-	161,063
12,593	160,841
-	42,998
-	188,584
<u>-</u>	<u>63,576</u>
<u>12,593</u>	<u>917,148</u>
<u>11,019</u>	<u>(34,520)</u>
1,200	10,146
<u>(8,946)</u>	<u>(21,755)</u>
<u>(7,746)</u>	<u>(11,609)</u>
3,273	(46,129)
<u>20,502</u>	<u>529,459</u>
<u>\$ 23,775</u>	<u>\$ 483,330</u>
	\$ (46,129)
	63,522
	(15,346)
	<u>(9,543)</u>
	<u>\$ (7,496)</u>

See notes to financial statements

Charter Township of Rutland
STATEMENT OF NET ASSETS - *proprietary fund*
December 31, 2007

	<u>Building Inspections</u>
ASSETS	
Cash	\$ 200
Prepaid expenses	<u>1,749</u>
Total assets	<u>1,949</u>
NET ASSETS - unrestricted	<u>\$ 1,949</u>

See notes to financial statements

Charter Township of Rutland

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
proprietary fund**

Year ended December 31, 2007

	<u>Building Inspections</u>
OPERATING REVENUES	
Charges for services - licenses and permits	\$ 15,036
OPERATING EXPENSES	
Salaries and fringe benefits	20,992
Contracted services	8,773
Office supplies and utilities	<u>1,751</u>
Total operating expenses	<u>31,516</u>
NET OPERATING LOSS	(16,480)
Transfer in - General Fund	<u>11,609</u>
CHANGE IN NET ASSETS	(4,871)
NET ASSETS - BEGINNING	<u>6,820</u>
NET ASSETS - ENDING	<u>\$ 1,949</u>

See notes to financial statements

Charter Township of Rutland
STATEMENT OF CASH FLOWS - proprietary fund
Year ended December 31, 2007

	<u>Building Inspections</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 17,191
Payments to employees	(20,992)
Payments to vendors and suppliers	<u>(10,524)</u>
Net cash used in operating activities	(14,325)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer from General Fund	<u>11,609</u>
NET DECREASE IN CASH	(2,716)
CASH - BEGINNING	<u>2,916</u>
CASH - ENDING	<u><u>\$ 200</u></u>
Reconciliation of change in net assets to net cash used in operating activities:	
Change in net assets	\$ (16,480)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Decrease in receivables	<u>2,155</u>
Net cash used in operating activities	<u><u>\$ (14,325)</u></u>

See notes to financial statements

Charter Township of Rutland
STATEMENT OF FIDUCIARY NET ASSETS - Agency Fund
December 31, 2007

ASSETS

Cash	<u>\$ 320,908</u>
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LIABILITIES

Due to other governmental units	<u>\$ 320,908</u>
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See notes to financial statements

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Charter Township of Rutland, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) Reporting entity:

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

b) Government-wide and fund financial statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

c) Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are expected to be collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) Measurement focus, basis of accounting, and financial statement presentation (continued):

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Fire Fund accounts for the financial resources used for the operational costs of the Township's fire protection contract. Revenues are primarily derived from property taxes.

The Library Fund accounts for the Township's portion of the operational costs of Hastings Public Library. Revenues are primarily derived from property taxes.

The Algonquin Weed Fund accounts for costs associated with aquatic weed control. Revenues are primarily derived from special assessments.

The Township reports a single proprietary fund, Building Inspections Fund, which accounts for operations (1) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Township has elected not to follow subsequent private-sector standards.

The Township reports a single fiduciary fund, Agency Fund, which accounts for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) Measurement focus, basis of accounting, and financial statement presentation (continued):

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

d) Assets, liabilities, and net assets or equity:

i) Bank deposits - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) Receivables - In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) Prepaid items - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

iv) Capital assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 (\$10,000 for infrastructure assets) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning January 1, 2004.

Capital assets are depreciated using the straight-line method over the following useful lives:

Land improvements	15 - 30 years
Buildings and improvements	15 - 60 years
Equipment	3 - 5 years
Roads	10 - 30 years

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d) Assets, liabilities, and net assets or equity (continued):

v) Deferred revenue - In the fund financial statements, governmental funds report deferred revenue in connection with resources that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned.

vi) Fund equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vii) Property tax revenue recognition - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. Property tax revenue is recognized in the year for which taxes have been levied and become available. The Township levy date is December 1, and, accordingly, the total levy is recognized as revenue in the subsequent year.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

The following schedule sets forth significant budget variations:

<u>Fund</u>	<u>Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	Capital outlay	\$ 1,000	\$ 63,576	\$ (62,576)
	Other financing uses	-	12,809	(12,809)
Fire	Public safety	155,000	161,063	(6,063)
Library	Culture and recreation	186,519	188,584	(2,065)

NOTE 3 - CASH:

The Township's cash is as follows:

	<u>Governmental activities</u>	<u>Business-type activities</u>	<u>Fiduciary</u>	<u>Total</u>
Cash	\$ 615,784	\$ 200	\$ 320,908	\$ 936,892

State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority.

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH (Continued):

Custodial credit risk is the risk that, in the event of the failure of a financial institution, the Township will not be able to recover its deposits. Deposits are exposed to custodial credit risk if they are not covered by federal depository insurance and are uncollateralized. At December 31, 2007, \$466,579 of the Township's bank balances of \$954,586 was exposed to custodial credit risk because it was uninsured and uncollateralized.

The Township believes that it is impractical to insure all bank deposits due to the amounts of the deposits and the limits of FDIC insurance. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the risk level of each institution. Only the institutions with an acceptable estimated risk level are used as depositories.

NOTE 4 - RECEIVABLES:

Receivables as of year end for the government's individual major and nonmajor funds, in the aggregate, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property Taxes</u>	<u>Special assessments</u>	<u>Inter- govern- mental</u>	<u>Totals</u>
Governmental activities:					
General	\$ 9,450	\$ 73,278	\$ -	\$ 84,533	\$ 167,261
Fire	-	89,032	-	-	89,032
Library	-	143,074	-	-	143,074
Algonquin Weed	-	-	39,276	-	39,276
Nonmajor governmental	-	-	15,628	-	15,628
Totals	<u>\$ 9,450</u>	<u>\$ 305,384</u>	<u>\$ 54,904</u>	<u>\$ 84,533</u>	<u>\$ 454,271</u>

NOTE 5 - PROPERTY TAXES:

The Township property taxes are levied on each December 1 on the taxable valuation of property (as defined by State statutes) located in the Township as of the preceding December 31.

Although the Township 2007 ad valorem tax is levied and collectible on December 1, 2007, it is the Township's policy to recognize revenues from the current tax levy in the subsequent year when the proceeds of this levy are budgeted and made "available" for the financing of operations.

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - PROPERTY TAXES (Continued):

The 2007 taxable valuation of the Township totaled \$130,291,717, on which ad valorem taxes levied consisted of the following:

<u>Fund</u>	<u>Millage rate</u>	<u>Purpose</u>	<u>Taxes raised</u>
General	0.7624	Operating	\$ 100,338
Fire	0.9260	Operating	121,899
Library	1.4885	Operating	195,908

These amounts are recognized in the financial statements as taxes receivable, with an offsetting credit to deferred revenue.

Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

NOTE 6 - CAPITAL ASSETS:

Capital asset activity for the year ended December 31, 2007, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	<u>\$ 47,000</u>	<u>\$ 63,522</u>	<u>\$ -</u>	<u>\$ 110,522</u>
Capital assets being depreciated:				
Land improvements	15,201	-	-	15,201
Buildings	353,462	-	-	353,462
Equipment	68,787	-	-	68,787
Infrastructure	<u>25,270</u>	<u>-</u>	<u>-</u>	<u>25,270</u>
Subtotal	<u>462,720</u>	<u>-</u>	<u>-</u>	<u>462,720</u>
Less accumulated depreciation for:				
Land improvements	(3,412)	(740)	-	(4,152)
Buildings	(95,651)	(8,803)	-	(104,454)
Equipment	(56,405)	(4,539)	-	(60,944)
Infrastructure	<u>(1,369)</u>	<u>(1,264)</u>	<u>-</u>	<u>(2,633)</u>
Subtotal	<u>(156,837)</u>	<u>(15,346)</u>	<u>-</u>	<u>(172,183)</u>
Total capital assets being depreciated, net	<u>305,883</u>	<u>(15,346)</u>	<u>-</u>	<u>290,537</u>
Governmental activities capital assets, net	<u>\$ 352,883</u>	<u>\$ 48,176</u>	<u>\$ -</u>	<u>\$ 401,059</u>

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - CAPITAL ASSETS (Continued):

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 14,082
Public works	<u>1,264</u>
Total	<u>\$ 15,346</u>

NOTE 7 - PAYABLES:

Payables as of year end for the government's individual major and nonmajor funds, in the aggregate, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Customer deposits</u>	<u>Inter-governmental</u>	<u>Total</u>
General	\$ 6,669	\$ 5,811	\$ 4,575	\$ 17,055
Fire	<u>-</u>	<u>-</u>	<u>85,048</u>	<u>85,048</u>
Total	<u>\$ 6,669</u>	<u>\$ 5,811</u>	<u>\$ 89,623</u>	<u>\$ 102,103</u>

NOTE 8 - DEFERRED REVENUE:

As of December 31, 2007, the various components of deferred revenue are as follows:

<u>Fund</u>	<u>Property taxes</u>	<u>Special assessments</u>		<u>Total</u>
	<u>Unearned</u>	<u>Unearned</u>	<u>Unavailable</u>	
General	\$ 100,338	\$ -	\$ -	\$ 100,338
Fire	121,899	-	-	121,899
Library	195,908	-	-	195,908
Algonquin Weed	-	60,260	-	60,260
Other governmental	<u>-</u>	<u>12,675</u>	<u>7,753</u>	<u>20,428</u>
	<u>\$ 418,145</u>	<u>\$ 72,935</u>	<u>\$ 7,753</u>	<u>\$ 498,833</u>

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

A summary of interfund transfers for the year ended December 31, 2007, is as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Fund</u>	<u>Transfer out</u>
General	\$ 8,946	Road	\$ 8,946
Building Inspection	11,609	General	12,809
Street Lighting	1,200		
	<u>12,809</u>		
	\$ 21,755		\$ 21,755

The transfer to the General Fund represents restricted revenues collected in the Road Fund to pay for operational costs of the public works functions accounted for in the General Fund.

The transfer to Building Inspection and Street Lighting funds consist of unrestricted funds to help finance operational costs.

NOTE 10 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 11 - DEFINED CONTRIBUTION PENSION PLAN:

The Township provides pension benefits for substantially all of its full-time employees through a defined contribution plan. The plan covers all elected officials and hourly employees (over 30 hours per week). In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of employment. The Township contributes 20% of each qualified employee's base salary to the plan. The eligible employees may make a voluntary, non-deductible contribution up to a maximum of 5% of their annual compensation. The Township's contributions are fully vested immediately. The Township and eligible employees made the required contributions of \$21,884 and \$5,471, respectively, for the year ended December 31, 2007.

The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

Charter Township of Rutland
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - JOINT VENTURE:

The Township, together with the Townships of Baltimore, Irving, Carlton, and Hastings, has established a joint fire department under the provisions of Public Act 33 of 1951 and Public Act 7 of 1967, known as the BIRCH Fire Association (the Association). Membership does not convey an economic interest. The Association's agreement provides that the department's activities are financed as follows:

Each Township shall pay an amount equal to an agreed millage rate which shall be identical for all Townships. Once the millage has been determined, the amount of money representing the millage in each Township can be raised by any means available to each Township and does not have to be spread upon the tax roll as an assessment.

The Township contributed \$161,063 to the Association as its share of expense during 2007.

REQUIRED SUPPLEMENTARY INFORMATION

Charter Township of Rutland
BUDGETARY COMPARISON SCHEDULE - General Fund
Year ended December 31, 2007

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 116,534	\$ 116,534	\$ 138,635	\$ 22,101
Licenses and permits	12,500	12,500	12,859	359
Federal grants	-	-	61,939	61,939
State grants	213,400	213,400	252,775	39,375
Charges for services	6,600	6,600	2,658	(3,942)
Fines and forfeitures	200	200	-	(200)
Interest	9,500	9,500	21,214	11,714
Other	4,200	4,200	1,287	(2,913)
Total revenues	<u>362,934</u>	<u>362,934</u>	<u>491,367</u>	<u>128,433</u>
EXPENDITURES				
Legislative	<u>6,000</u>	<u>6,000</u>	<u>4,400</u>	<u>1,600</u>
General government:				
Supervisor	31,300	31,300	31,327	(27)
Election	5,850	5,850	1,190	4,660
Assessor	45,000	45,000	44,231	769
Clerk	53,700	53,700	51,149	2,551
Board of review	1,615	1,615	837	778
Treasurer	33,825	33,825	30,919	2,906
Hall and grounds	19,450	19,450	19,651	(201)
Cemetery	13,200	13,200	12,492	708
Other	103,700	133,700	103,890	29,810
Total general government	<u>307,640</u>	<u>337,640</u>	<u>295,686</u>	<u>41,954</u>
Public works:				
Highways and streets	100,000	100,000	96,394	3,606
Street lights	<u>500</u>	<u>500</u>	<u>566</u>	<u>(66)</u>
Total public works	<u>100,500</u>	<u>100,500</u>	<u>96,960</u>	<u>3,540</u>
Community and economic development - planning and zoning	<u>50,470</u>	<u>50,470</u>	<u>42,998</u>	<u>7,472</u>
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>63,576</u>	<u>(62,576)</u>
Total expenditures	<u>465,610</u>	<u>495,610</u>	<u>503,620</u>	<u>(8,010)</u>

Charter Township of Rutland**BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)**

Year ended December 31, 2007

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ (102,676)</u>	<u>\$ (132,676)</u>	<u>\$ (12,253)</u>	<u>\$ 120,423</u>
OTHER FINANCING SOURCES (USES)				
Operating transfer in - Road Fund	<u>-</u>	<u>-</u>	<u>8,946</u>	<u>8,946</u>
Operating transfers out:				
Street Lighting Fund	<u>-</u>	<u>-</u>	<u>(1,200)</u>	<u>(1,200)</u>
Building Inspections Fund	<u>-</u>	<u>-</u>	<u>(11,609)</u>	<u>(11,609)</u>
Total operating transfers out	<u>-</u>	<u>-</u>	<u>(12,809)</u>	<u>(12,809)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(16,672)</u>	<u>(16,672)</u>
NET CHANGE IN FUND BALANCES	<u>(102,676)</u>	<u>(132,676)</u>	<u>(28,925)</u>	<u>103,751</u>
FUND BALANCES - BEGINNING	<u>400,681</u>	<u>400,681</u>	<u>400,681</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 298,005</u>	<u>\$ 268,005</u>	<u>\$ 371,756</u>	<u>\$ 103,751</u>

Charter Township of Rutland
BUDGETARY COMPARISON SCHEDULE - Fire Fund
Year ended December 31, 2007

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 116,034	\$ 116,034	\$ 116,154	\$ 120
Interest	<u>2,500</u>	<u>2,500</u>	<u>3,281</u>	<u>781</u>
Total revenues	118,534	118,534	119,435	901
EXPENDITURES				
Public safety	<u>155,000</u>	<u>155,000</u>	<u>161,063</u>	<u>(6,063)</u>
NET CHANGE IN FUND BALANCES	(36,466)	(36,466)	(41,628)	(5,162)
FUND BALANCES - BEGINNING	<u>94,713</u>	<u>94,713</u>	<u>94,713</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 58,247</u>	<u>\$ 58,247</u>	<u>\$ 53,085</u>	<u>\$ (5,162)</u>

Charter Township of Rutland
BUDGETARY COMPARISON SCHEDULE - Library Fund
Year ended December 31, 2007

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 186,519	\$ 186,519	\$ 188,454	\$ 1,935
EXPENDITURES				
Culture and recreation	<u>186,519</u>	<u>186,519</u>	<u>188,584</u>	<u>(2,065)</u>
NET CHANGE IN FUND BALANCES	-	-	(130)	(130)
FUND BALANCES - BEGINNING	<u>130</u>	<u>130</u>	<u>130</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 130</u>	<u>\$ 130</u>	<u>\$ -</u>	<u>\$ (130)</u>

Charter Township of Rutland
BUDGETARY COMPARISON SCHEDULE - Algonquin Weed Fund
Year ended December 31, 2007

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Other - assessments	\$ 59,700	\$ 59,700	\$ 59,760	\$ 60
EXPENDITURES				
Public works	<u>59,700</u>	<u>59,700</u>	<u>51,288</u>	<u>8,412</u>
NET CHANGE IN FUND BALANCES	-	-	8,472	8,472
FUND BALANCES - BEGINNING	<u>13,433</u>	<u>13,433</u>	<u>13,433</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 13,433</u>	<u>\$ 13,433</u>	<u>\$ 21,905</u>	<u>\$ 8,472</u>

SUPPLEMENTARY INFORMATION

Charter Township of Rutland
COMBINING BALANCE SHEET - nonmajor governmental funds
December 31, 2007

	<i>Special revenue funds</i>		
	<i>Road</i>	<i>Revolving Improvement</i>	<i>Sewer</i>
ASSETS			
Cash	\$ 1,193	\$ 3,074	\$ 5,389
Receivables	<u>7,753</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,946</u>	<u>\$ 3,074</u>	<u>\$ 5,389</u>
LIABILITIES AND FUND BALANCE			
Liabilities:			
Deferred revenue	\$ 7,753	\$ -	\$ -
Fund balance:			
Unreserved, undesignated	<u>1,193</u>	<u>3,074</u>	<u>5,389</u>
Total liabilities and fund balance	<u>\$ 8,946</u>	<u>\$ 3,074</u>	<u>\$ 5,389</u>

<i>Special revenue funds</i>		
<i>Street Lighting</i>	<i>Podunk Weed</i>	<i>Total</i>
\$ 1,005	\$ 17,914	\$ 28,575
-	7,875	15,628
<u>\$ 1,005</u>	<u>\$ 25,789</u>	<u>\$ 44,203</u>
\$ -	\$ 12,675	\$ 20,428
<u>1,005</u>	<u>13,114</u>	<u>23,775</u>
<u>\$ 1,005</u>	<u>\$ 25,789</u>	<u>\$ 44,203</u>

Charter Township of Rutland**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - nonmajor governmental funds**

Year ended December 31, 2007

	Special revenue funds		
	Road	Revolving Improvement	Sewer
REVENUES			
Interest	\$ -	\$ 304	\$ 1,315
Other	9,543	-	-
Total revenues	9,543	304	1,315
EXPENDITURES			
Public works	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,543	304	1,315
OTHER FINANCING SOURCES (USES)			
Operating transfer in	-	-	-
Operating transfer out	(8,946)	-	-
Total other financing sources (uses)	(8,946)	-	-
NET CHANGE IN FUND BALANCES	597	304	1,315
FUND BALANCES - BEGINNING	596	2,770	4,074
FUND BALANCES - ENDING	\$ 1,193	\$ 3,074	\$ 5,389

<i>Special revenue funds</i>		
<i>Street Lighting</i>	<i>Podunk Weed</i>	<i>Total</i>
\$ -	\$ -	\$ 1,619
-	12,450	21,993
-	12,450	23,612
789	11,804	12,593
(789)	646	11,019
1,200	-	1,200
-	-	(8,946)
1,200	-	(7,746)
411	646	3,273
594	12,468	20,502
<u>\$ 1,005</u>	<u>\$ 13,114</u>	<u>\$ 23,775</u>

March 18, 2008

To the Board of Trustees
Charter Township of Rutland

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Charter Township of Rutland for the year ended December 31, 2007, and have issued our report thereon dated March 18, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 19, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Charter Township of Rutland are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2007. We noted no transactions entered into by Charter Township of Rutland during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was capital asset depreciation.



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Management's estimate of the capital asset depreciation is based on the estimated useful lives of the Township's capital assets. We evaluated the key factors and assumptions used to develop the capital asset depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. Management has recorded all of our proposed audit adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter associated with the audits for the year ended December 31, 2007.

Other Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Charter Township of Rutland's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Communication Regarding Internal Control

In planning and performing our audit of the financial statements of the Charter Township of Rutland as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Charter

Township of Rutland's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Our consideration of internal control included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Policies and procedures over monthly bank reconciliations were not effective because necessary adjustments to the corresponding general ledger cash accounts were not identified and recorded. This is a recurring comment.

The Township has not implemented a system of controls to prepare financial statements in accordance with U.S. generally accepted accounting principles, including procedures to achieve the objectives of recording revenue and expense accruals, the capitalization and depreciation of capital assets, and the presentation of financial statement disclosures. This is a recurring comment. The Township has determined that the additional benefits derived from implementing such a system would not outweigh the costs incurred to do so.

This communication is intended solely for the information and use of the Board of Trustees of the Charter Township of Rutland and the State of Michigan Department of Treasury and is not intended to be and should not be used by anyone other than these specified parties.

Sigfried Crandall P.C.